

125th LEGISLATURE
JOINT STANDING COMMITTEE ON
INSURANCE AND FINANCIAL SERVICES

September 26, 2011
Committee Meeting Draft Agenda

1:30 pm to 3:00 pm

- ☐ Welcome and introduction from Committee Chairs
Sen. Whittemore and Rep. Richardson
- ☐ Presentation of Report: Advisory Committee on Maine's Health Insurance Exchange
The Honorable Joseph Bruno, Chair of Advisory Committee
Karynlee Harrington, Advisory Committee Staff, Executive Director of Dirigo Health
- ☐ Develop process for review of report and carry over bills and identify issues for further discussion
Committee and staff
- ☐ Schedule future meeting(s)—October and November?
Committee and staff

3:00 pm

- ☐ Confirmation Hearings
 - Eric Cioppa for appointment as Superintendent of Insurance
 - The Honorable Joseph Bruno for reappointment to the Dirigo Health Board
 - The Honorable John R. Brautigam for appointment to the Dirigo Health Board

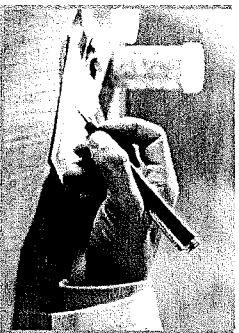
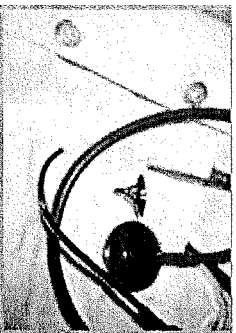
Adjourn

Exchanges: A Proposed New Federal-State Partnership

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS for MEDICARE & MEDICAID SERVICES
Center for Consumer Information and Insurance Oversight

State Exchange Grantee Meeting
September 19-20, 2011

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Overview

- Exchange Guidance
- Core Functions of an Exchange
- HHS Support for State-based Exchanges
- Collaborative Resources for States
- Federally-facilitated Exchange
- Partnership Principles and Benefits
- State Operations under Proposed Partnership
- Grant Funding to States
- Timing and Next Steps

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Exchange Related Guidance Released

IT Guidance	IT Guidance 1.0 and 2.0, Guidance for Exchange and Medicaid Information Technology (IT) Systems Joint release with Medicaid -- Outline Cost Allocation and Funding for IT Systems
Exchange Grant FOAs	Exchange Planning Grant Early Innovator Cooperative Agreements Limited Competition Exchange Planning Grant Territory Cooperative Agreement Exchange Establishment Cooperative Agreement
NPRMs	Establishment of Exchanges and Qualified Health Plans (QHPs) Standards Related to Reinsurance, Risk Corridors and Risk Adjustment Exchange Functions in the Individual Market: Eligibility Determinations and Exchange Standards for Employers
Requests for Input	Basic Health Program, Employer Safe Harbor, Risk Adjustment, Definition of Full-Time Employee

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Upcoming Exchange Related Releases

- Best practices and recommended work plan for State-based Exchange and Partnership Exchange
- Essential health benefits and actuarial value
- Quality
- Oversight and appeals
- Payment notice
- Basic Health Program

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Five Core Functions of the Exchange

Consumer Assistance	Consumer support assistants; education and outreach; Navigator management; call center operations; website management; and written correspondence with consumers to support eligibility and enrollment.
Plan Management	Plan selection approach (e.g., active purchaser or any willing plan); collection and analysis of plan rate and benefit package information; issuer monitoring and oversight; ongoing issuer account management; issuer outreach and training; and data collection and analysis for quality.
Eligibility	Accept applications; conduct verifications of applicant information; determine eligibility for enrollment in a Qualified Health Plan and for insurance affordability programs; connect Medicaid and CHIP-eligible applicants to Medicaid and CHIP; and conduct redeterminations and appeals.
Enrollment	Enrollment of consumers into qualified health plans; transactions with Qualified Health Plans and transmission of information necessary to initiate advance payments of the premium tax credit and cost-sharing reductions.
Financial Management	User fees; financial integrity; support of risk adjustment, reinsurance, and risk corridor programs.

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HHS Support for State-Based Exchanges

- HHS provides Exchange Grants to support State actions.
- HHS will manage a Data Services Hub or support system to connect to IRS, SSA, and DHS.
- HHS will provide financial management support related to payment processing of financial assistance.
- States can run their own risk adjustment program using their own certified model or the Federal risk adjustment model or allow HHS to run risk adjustment on their behalf.
- HHS will run risk corridors program.

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Collaborative Resources for States

- Early Innovator States are a resource to other States in a number of areas by:
 - Sharing administrative materials and templates;
 - Publishing business process flows and blueprints;
 - Posting planned system architecture and implementation timelines.
- States can access a web-based environment where States and Early Innovators can share documents and processes.
- States can participate in small groups focused on working through issues/concerns and sharing best practices.

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Federally-facilitated Exchange

- Federally-facilitated Exchange will perform core functions comparable to State-based Exchanges, including consultation with stakeholders.
- Federally-facilitated Exchange will make decisions where Exchanges have flexibility, including areas such as network adequacy and marketing.
- HHS will look to State standards to harmonize rules inside and outside of the Exchange.
- HHS can charge issuers user fees to run the Federally-facilitated Exchange.
- In fall 2011, HHS will devote resources to procurements for the Federally-facilitated Exchange.

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Federally-facilitated Exchange (cont'd)

- Federally-facilitated Exchange will work with local stakeholders through the Navigator program and other outreach efforts to educate consumers and small businesses about available options in 2014.
- Federally-facilitated Exchange will determine eligibility for qualified health plans, tax credits, cost sharing reductions, and Medicaid and CHIP eligibility based on modified adjusted gross income.
 - Federally-facilitated Exchange will provide eligibility information to the applicable State agency to enroll those individuals in coverage.
- HHS will solicit input from States when running the Federally-facilitated Exchange.

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Partnership Principles and Benefits

- Partnerships are Exchanges where both HHS and States operate functions of the Exchange; however, HHS is responsible and accountable for ensuring the Exchange meets all of the standards.
- HHS will maintain and coordinate with States for end-to-end system functionality to ensure a seamless consumer experience.
- States entering into Partnership will agree under the terms of their grants to ensure insurance department, Medicaid, and CHIP cooperation to coordinate business processes, systems, data/information, and enforcement.
- As part of their agreement, States may choose to operate plan management functions and/or some consumer services, using Exchange grant funding to establish functionality, thereby maintaining existing relationships and allowing for easier transitions to State-based Exchanges in future years.

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Summary of Proposed Partnership: Three Options

- Under the proposed Partnership, States may choose to operate the following Exchange functions:
 - Option 1 – Plan management functions;
 - Option 2 – Selected consumer assistance functions;
 - Option 3 – Both selected consumer assistance & plan management functions.
- Exchange functions other than selected consumer assistance or plan management functions will be performed by HHS under these options.
- As appropriate, HHS will ensure that the Partnership meets all Exchange standards

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State Option under Partnership: Option 1: Plan Management

- Goal is to let States help tailor health plan choices for their State's Exchange.
- Plan management functions include (but are not limited to) –
 - Plan selection;
 - Collection and analysis of plan rate and benefit package information;
 - Ongoing issuer account management;
 - Plan monitoring, oversight, data collection and analysis for quality.
- Under this proposed option for plan management, the State helps select plans and collects a standardized set of data on them to plug into Federally-facilitated Exchange's eligibility and enrollment functions.
- HHS coordinates with the State regarding plan oversight, including consumer complaints and issues with enrollment reconciliation.

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State Option under Partnership: Option 2: Consumer Assistance

- Goal is to take advantage of State's experience to support a seamless consumer experience.
- Consumer assistance functions that a State would operate under this proposed Partnership option include:
 - In-person assistance;
 - Navigator management;
 - Outreach and education.
- Consumer assistance functions that HHS would operate under this proposed Partnership option include:
 - Call center operations;
 - Website management;
 - Written correspondence with consumers to support eligibility and enrollment.

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Availability of Federal Grant Funding to States

By year and model

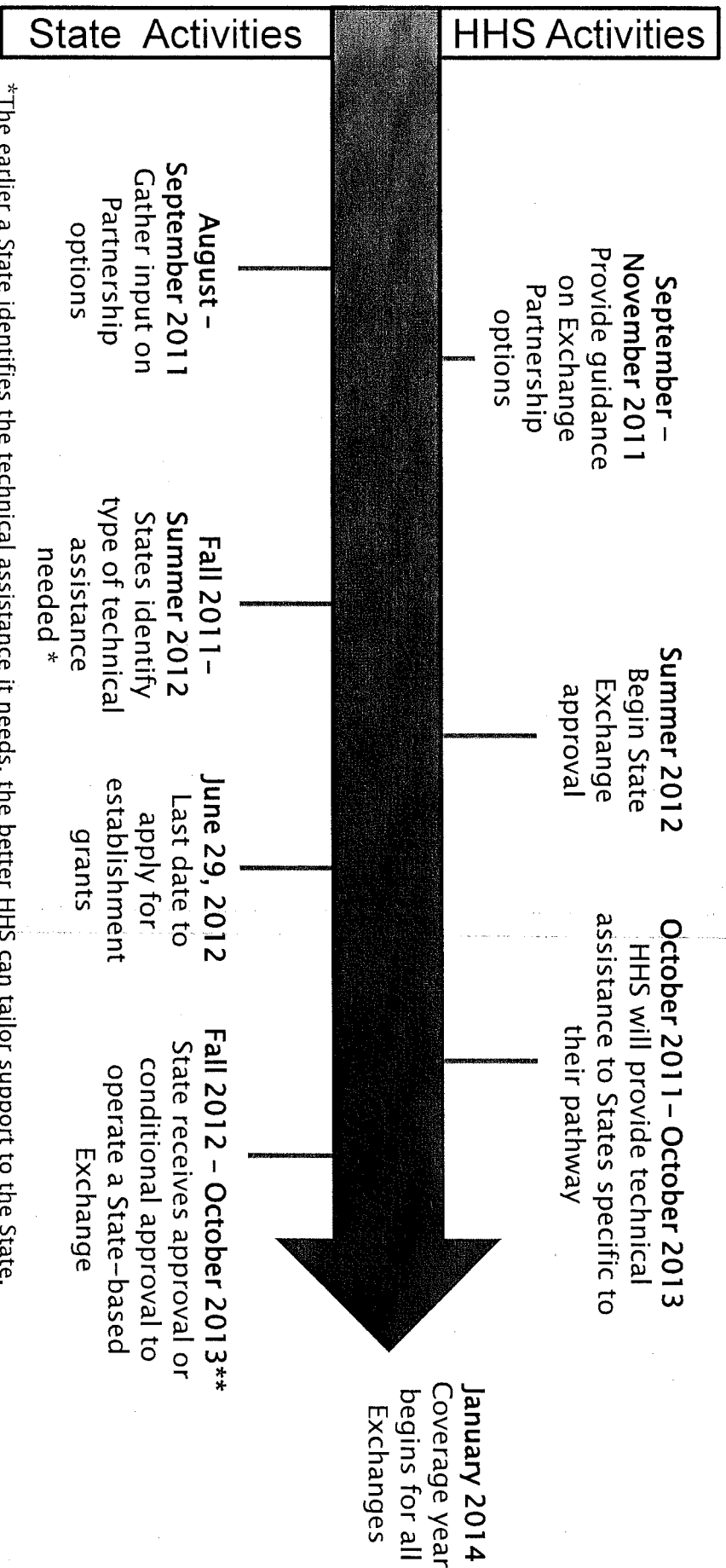
	2012*	2013*	2014	2015
State Exchange	Yes	Yes, if the State is certified or conditionally certified on 1/1/13.	Yes, if State is fully certified.	No
Partnership Exchange	Yes	Yes, to improve/support functions the State will be performing.	Yes, to improve/support functions the State is performing.	No
Federally-facilitated Exchange	Yes	No	No	No

*In 2012 and 2013, grant funding is available until it is clear that an Federally-facilitated Exchange will operate in the State.

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Exchange Timeline



*The earlier a State identifies the technical assistance it needs, the better HHS can tailor support to the State.

**The deadline for conditional or full approval is January 1, 2013. States may move from conditional to full approval after that.

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Next Steps

- HHS will reach out to States and other stakeholders to receive input on Partnership.
- States and other stakeholders with feedback should submit formal comments through the Exchange proposed rule comment process ending on September 28, 2011.

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